



# Prospectus

**Marina and Overnight Accommodations, Campground,  
Food and Beverage, and Associated Retail Sales within**

## **Fire Island National Seashore**

**Suffolk County, Long Island, New York**

**Date Issued: November 5, 2003**

**Pre-Proposal Site Visit: December 8, 2003  
(Rain Date: Dec. 9, 2003)**

Proposals and Any Modifications  
Must Be Received by the National Park Service  
No Later Than

**4:00 p.m. on January 5, 2004**

U.S. DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
**FIRE ISLAND NATIONAL SEASHORE**  
**120 Laurel Street**  
**Patchogue, NY 11772**  
ATTN: Jean Blakeslee,  
Concession Management Specialist

Telephone 631-289-4810





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## **SECTION 1**

### **BUSINESS OPPORTUNITY**

## **BUSINESS OPPORTUNITY**

### **Introduction**

Fire Island National Seashore is located on a barrier island that lies along the southern shore of Long Island, New York. There is very little or no access to the concession areas by land vehicle. Summer visitors number around 560,000 to NPS owned land and 3,000,000 to the immediate area. Visitors arrive, sporadically in the winter season, dependent upon the weather. A description of the Park's mission is in Appendix 5.

### **The Business**

This new business opportunity in Fire Island National Seashore is different than that which has gone before. One concessioner has operated at Watch Hill and one at Sailors Haven. The two business opportunities are combined into one contract; campground management at Watch Hill is required; boat rentals are authorized, and commercial services for a third area, Barrett Beach/Talisman are required. Authorized services are elective services that may be provided by the Concessioner upon the Superintendent's written approval of the Concessioner's plan to provide those services.

Financial results for the last 3 years are listed in Appendix 1 of this prospectus.

A large amount of rehabilitation work is needed. At Barrett Beach/Talisman, the National Park Service is constructing a ferry pier and is renovating the snack bar building. At Sailors Haven, the National Park Service is reconstructing the marina bulkheads. However, a significant investment in facility rehabilitation and reconstruction will remain for the concessioner to accomplish. It is estimated that the further rehabilitation needs for all three sites, for which the concessioner will be responsible, will total \$2.8 Million. To aid in this task, the National Park Service has lowered the minimum franchise fee it is willing to accept to 1.5% and will recognize Leasehold Surrender Interest in the major rehabilitations as provided by the draft contract in Section 2 of this prospectus.

The concessioner will be required to provide tenant finishes to the snack bar and redevelop limited lodging at Barrett Beach/Talisman. At Watch Hill, the Concessioner will be required to provide significant rehabilitation work to both the marina and the land facilities. Minor rehab will be required at Sailors Haven after the National Park Service completes work. The concessioner will be responsible for maintaining both marinas and the land facilities at all three sites to a standard that will negate need for major rehabilitation in the future. **See Exhibit H (Maintenance Plan) of the draft Contract. The draft Contract is in Section 2 of this prospectus. Although it is a draft, the Contract will not change in any significant manner.**

Further development of facilities by the concessioner, other than that which is required by the draft Contract is neither required nor authorized at this time and will not be considered, if offered. The ability to develop real estate and experience in doing so will be factors in the evaluation of offers due to the requirement to redevelop lodging at Barrett Beach/Talisman and to rehabilitate facilities at Watch Hill as detailed in **Section XXIII of Exhibit B (the Operating Plan) of the draft contract. (Section 2 of this prospectus.)** The Operating Plan will be annually reviewed by the Superintendent, Fire Island National Seashore and may be changed by the Superintendent within the parameters and intent of the Contract after consultation with the concessioner.

The business is anchored by two limited service marinas, one at Watch Hill and one at Sailors Haven. The marinas are overnight and day use docking facilities. Profit centers associated with full service marinas such as fueling facilities, winter storage, repair services and towing are prohibited.

During the summer season, the marinas at Watch Hill and Sailors Haven experience 98% occupancy on weekends with significantly fewer boaters on weekdays. Unused capacity on weekdays presents an opportunity to grow the business.

The 2003 approved rate for an overnight stay is \$1.25/running foot of the vessel.

The concessioner is required to provide pump-out station service for slip renters.

The concessioner will dredge the marinas, as needed, but not the channel. (see Section XXIII of Exhibit B of the draft Contract)

Conceptual plans for required construction will be considered in the evaluation of offers.

The facilities and land that will be assigned for use by a concessioner, from East to West along the Bay side of Fire Island are:

- **The Watch Hill** developed area, accommodated 51,689 visitors in 2002. This number was obtained by adding visitor center contacts and ferry passengers. It is understated by visitors arriving by personal watercraft and walk-ins who did not make contact with an NPS employee at the visitor center. In 1998, when the full service restaurant was open, 94,595 such visitors were similarly counted.

The Watch Hill developed area is anchored by a 195-slip day use and overnight marina. Seven slips are reserved for the National Park Service; 188 are available for rent.

The marina complex is partially defined and shaded by tarpaulins. The tarpaulins must be maintained, stored and seasonally installed and uninstalled by the concessioner.

In close proximity to the marina is a full service restaurant, snack bar and convenience store, a walk-in campground of 26 sites and one group site, and picnic areas.

The restaurant and snack bar share the same structure. The restaurant has not been open since the 2000 season. Equipment is government-owned, institutional grade equipment of varying serviceability. Equipment that must be replaced or added shall be the responsibility of the new concessioner. At the end of the contract term, the concessioner shall retain ownership of removable equipment that is so added or replaced.

Unserviceable government-owned equipment must be turned into the Concessions Specialist of Fire Island National Seashore for disposal in accord with Service guidelines.

The following is a quotation from a 2002 inspection by the United States Public Health Service Officer for the Northeast Region of the National Park Service.

" The purpose of the survey was to determine the feasibility of opening the food service facilities this season. Watch Hill Marina Restaurant and Snack Bar have been closed for the previous two seasons. We also discussed limits to what could be sold from the grocery store, mainly prepackaged foods made in an approved food service facility and properly labeled."

"The facilities were in very poor condition due to the neglect of the previous concessionaire. The electrical and plumbing systems throughout the facility need to be checked thoroughly for proper operation and water system integrity. The grease trap needs to be in good working condition. Both facilities need a significant amount of work and equipment replacement before it can be operational. It may be possible to isolate the snack bar from the restaurant in an effort to only open the snack bar, as the restaurant will require a much greater financial investment for new equipment and repairs."

**The temporary concessioner physically blocked off the main part of the restaurant to separate the two operations and operated the snack bar in 2003.**

The store is in a separate building. The concessioner will sell picnic supplies from the store and manage the picnic areas.

A temporary concessioner operated the campground in 2002 and 2003. The approved rate was \$14/night for a campsite.

A housing unit at Watch Hill will be committed to the concessioner by the concession contract. Space may be allocated, if the concessioner desires to construct new housing.

The National Park Service will occupy and maintain the visitor center and first aid station.

The Davis Park Ferry Service currently provides Ferry Service to Watch Hill from Government-owned facilities in Patchogue, NY. The Patchogue embarkation area has a

171 car capacity parking lot and terminal building. The ferry service is not a part of this prospectus, but is described here as an index to the ferry's contribution to customer count for Watch Hill.

- **Barrett Beach/ Talisman** is the newest area of Fire Island National Seashore. The Sayville Ferry Service served this area on weekends in 2001 with very low passenger counts. There were only around 150 passengers for the season. However, visitors also arrive by private watercraft. On weekends of the 2003 season, 200 boats could typically be seen anchored off shore. Additionally, some visitors arrive via several water taxi services that transport riders between points on the Island. Water Taxi services are not required or authorized by this contract.

The NPS constructed a new dock in 2003. The dock is for the purpose of ferry boat accommodation. As part of the dock construction contract, the remnants of an adjoining derelict marina were removed.

The concession facilities include a snack bar and ample-sized overnight accommodations. The existing lodging is an elevated one story, wood framed building of about 3,790 ft<sup>2</sup>, has eight units and is surrounded by a deck on the same level of the lodging units. Each unit has about 470 ft<sup>2</sup> in floor area.

The concession facilities were constructed before the area was acquired by the National Park Service and have not been recently used. An evaluation of the lodging facilities in 2003 resulted in a finding that extensive renovation or complete reconstruction<sup>1</sup> is needed. The concessioner is required to provide lodging at Barrett Beach/Talisman.

The snack bar/sundries sales area occupies half of a structure that is shared with the NPS. The structure is being rehabilitated by the NPS in 2003 and reconstructed to have an open breezeway between the NPS and concessioner sides. The building is on the walkway from the bay side of the Island to the ocean side. The concessioner will provide tenant finishes to its side.

The concessioner will not be required to provide services at Barrett Beach/Talisman until the NPS has finished the construction/rehabilitation, of the snack bar. Barring unforeseen circumstances the work is expected to be completed in time for the 2004 season.

- **Sailors Haven:** 70,972 visitors counted in 2002 with the same reliability problems with the count as mentioned in the Watch Hill description..

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<sup>1</sup> See Appendix 7 and Sec. 9 of the draft Contract

The Sailors Haven concession is anchored by a 53-slip day use and overnight marina. Five of the slips are reserved for NPS use. Some disruption of the concessioner's operation may be expected during the rehab work that will be accomplished by the NPS. The NPS will accomplish this work on a one-time basis. The concessioner will be responsible for all rehab thereafter. NPS rehabilitation of the marina is scheduled to be completed in 2006.

A free-standing snack bar and gift shop/convenience store share the same structure with some canopy-protected outdoor seating.

The concessioner will manage nearby picnic areas and sell picnic supplies.

A single unit of concessioner housing is available at Sailors Haven. The house is within walking distance from the marina and store. However, it is not near enough to the marina to serve as an after-hours contact station. After contract award and subject to approval by the Superintendent of plans and specifications that the concessioner may elect to submit, the concessioner will be authorized under Section 9 of the Contract to develop housing pursuant to the terms therein.

Rentals of sea kayaks and other watercraft may be an additional profit center.

Approval by the Superintendent of this additional service will depend upon his appraisal of desirability of the rental service as represented by the concessioner in a plan to do so.

The Sayville Ferry Service serves Sailors Haven from Sayville, NY. As is the case with the Davis Park Ferry, the Sayville Ferry Service is not a part of this prospectus.



**Existing and Future Services**

The existing concession contract between the National Park Service and the Howard T. Rose, Inc. who operates a portion of the facilities (Sailors Haven) expires by limitation of time on December 31, 2003. Watch Hill area concessions are operated by a temporary concessioner. The Watch Hill temporary concession contract expired October 31, 2003. The NPS has never authorized a concession at its newly acquired Barrett Beach/Talisman area.

The Director, pursuant to 36 CFR Part 51, has determined that this is not a qualified concession contract and, therefore, no preferred Offeror for this contract exists.

Following is a comparison of existing and proposed services:

<b>Former Contracts</b>	<b>Proposed Contract</b>
Separate contracts authorized and required two concessioners, to provide services; one concessioner provided services at Sailors Haven; one concessioner provided services at Watch Hill; no services were authorized at Barrett Beach/Talisman.	One Contract to authorize and require one concessioner to provide services at Watch Hill, Sailors Haven and Barrett Beach/Talisman.
Sailors Haven - Required Snack Bar/Convenience Store/Gift Shop, and a day use/overnight marina of 53 slips, 5 of which are reserved for NPS use.	Sailors Haven - Same as former contract, but will explicitly require boat pump-out services for slip renters. The Contract will additionally authorize the concessioner to develop a table-service restaurant.  Snack bar service shall be continued regardless of whether table service is developed.
Watch Hill - Required Marina services consisting of 195 rental slips, 7 of which are reserved for NPS use, moorings, and related services connected with boating operations. Also required was operation of a restaurant and bar facility, a snack bar/pizza store, (including carry-out service) a merchandise sales facility for grocery and sundry items and the sale and rental of beach, fishing and camping equipment and supplies.	Watch Hill - Same as former contract, but will explicitly require boat pump-out services for slip renters.

No campground management or picnic area responsibility was required. However, the temporary operator has operated the Watch Hill campground.	Will require management of a 26 site walk in campground and one group site.  At both Watch Hill and Sailors Haven, picnic supplies shall be sold by the concessioner and the picnic areas shall be managed by the concessioner
Operations at Barrett Beach/Talisman were not authorized.	Barrett Beach/Talisman The concessioner shall be required to provide snack bar service with sundries and overnight accommodations.
No overnight accommodations were required or authorized. No watercraft rentals were authorized.	Overnight accommodations are required at Barrett Beach/Talisman. Authorization to rent sea kayaks and other water craft as may be approved by the Superintendent.

Park concessioners are required to conduct orientation sessions for all new concession employees. The National Park Service participates in these programs to ensure that new employees understand safety concerns, policies and regulations in Fire Island National Seashore.

### **Basic Financial Information**

The minimum franchise fee for the new contract is 1.5% of annual gross receipts. However, offerors may propose a higher minimum franchise fee.

Security of the Concessioner's investment is enhanced by Leasehold Surrender Interest in Capital Improvements constructed by the Concessioner. Leasehold Surrender Interest is a reimbursable interest provided under Section 9 and Exhibit A of the CONTRACT.

There is a qualifying threshold for the contractual definition of "Major Rehabilitation" as it relates to Leasehold Surrender Interest.<sup>2</sup> However, the pre-rehabilitated value of the Restaurant/Snack Bar, and marina at the Watch Hill area, has preliminarily been determined during the course of a feasibility study to be less than the projected cost of rehabilitation.

Rehabilitating the Watch Hill marina including bulkheads may be accomplished in time-limited phases approved in advance by the Director so long as steps are taken to stabilize and prevent further deterioration.<sup>3</sup>

<sup>2</sup> See definition, Exhibit A of the draft Contract, Section 1 page 3.

<sup>3</sup> See Appendix 7 for detailed cost estimates of bulkhead work

Sailors Haven needs routine dredging as soon as NPS completes bulkhead work and thereafter on a five-year cycle, 10750 cubic yards:

Watch Hill marina requires routine dredging on an eight-year cycle, 18750 cubic yards  
Watch Hill does not yet need dredging, but will within five years.

**Concession Facilities Improvement Program:** Building construction and improvements will be required over the term of the new contract in accord with a schedule that is included in the offer that is accepted.<sup>4</sup> A listing with estimated costs is provided below and in Appendix 7 with more detail. Sec.XXIII of Exhibit B will control scheduling. Some completion dates are entered in Exhibit B. Additions to Exhibit B of the final contract will be made to reflect scheduling details contained in the accepted offer.

Watch Hill marina rehabilitation and dredging	\$1,108,000 <sup>5</sup>
Watch Hill: Replace roofs, siding, and doors, completely renovate and equip the snack bar and the restaurant, resurface boardwalks and decks.	\$809,000
Reconstruct new lodging at Barrett Beach/Talisman and provide tenant finishes to snack bar	\$765,000 \$ 60,000
Sailors Haven rehabilitation and dredging	<u>\$ 274,000</u>
	\$3,016,000

#### **Other estimated required investment**

Acquire Sailors Haven concessioner equipment from existing concessioner (or replace)  
\$ 43,000

Acquire Sailors Haven concessioner inventory from existing concessioner  
\$ 3,000

The concessioner shall transport all garbage and waste from Watch Hill and Sailors Haven. Upon future authorization of concessioner use of Barrett Beach/Talisman the concessioner shall also transport all garbage and waste from those areas to a disposal site. The estimated cost of this handling and transportation is **\$44,000/year**. The National Park Service will pay a fee to the concessioner for transporting the amount of waste generated by its administrative activities and employee housing.

<sup>4</sup> See Subfactor B2(b), Section 4, The Proposal Package

<sup>5</sup> See Appendix 7 for detail of cost estimates

The successful offeror will not be required to purchase any possessory interest from any former concessioner.

An inventory of Government owned equipment at Watch Hill to be assigned to the concessioner appears in Exhibit E of the draft Contract. There is no Government-owned equipment available for assignment at the other two sites.

Any Offeror that is selected as the new concessioner is obliged to purchase certain personal property (equipment and merchandise and supplies) of the existing concessioner of Sailors Haven, as described in the provisions of its contract included in Appendix 2., (CC-FIIS001-85), originally numbered CC-1665-5-0001). Offerors are solely responsible for determining the personal property that must be purchased, its condition and value. Provisions in the former contract provide for settlement of disputes between the new concessioner and the former concessioner if agreement cannot be attained. Section 12(b) of said contract sets forth the compensation requirements for the personalty for the Howard T. Rose Co. should a new concessioner be selected. It remains to be seen how much equipment will remain and be subject to Section 12 of the expired contract.<sup>6</sup>

The fact that the final purchase price may be greater than estimated by an Offeror will not be grounds for adjustment of the terms of the contract or other relief to the new concessioner.

Appendix 3 is an inventory of Sailors Haven equipment compiled by the Howard T. Rose Co., the current concessioner at that location. The inventory is dated October 1, 1998 and was characterized as "fair market depreciation value." For 1999, the Howard T. Rose Co. reported \$7,609 depreciation, for 2000, \$7,200, \$6,909 for 2001, and for 2002, \$14,147 with an addition of \$31,919 and a disposal of \$23,664. (autos)

### **Estimates of Value**

The estimates of value for the equipment and inventory are not binding on the existing concessioner. Actual values will be determined through negotiation with the existing concessioner or the value determination process that is required by the terms of the expiring concession contract.

It is the responsibility of Offerors to make their own estimates of the compensation that must be paid the existing concessioner under the terms of the concession contract that appears in the appendix.

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<sup>6</sup> By telephone, the President of Howard T. Rose Co. expressed an intention to sell the equipment to another buyer at the end of the 2003.

Pursuant to current law and regulations, the new contract will not provide for reimbursement of the concessioner's personalty at contract's end.

### **Environmental Management**

It is the intent of the National Park Service to reduce solid waste in the park by reducing the use of disposable products such as plastic utensils, paper products and Styrofoam as much as possible.<sup>7</sup>

### **Assignment of Concession Facilities**

The land and real property improvements are formally assigned in Exhibit D to the draft contract.

### **Maintenance**<sup>8</sup>

The new contract will require the concessioner to be responsible for maintenance, repairs, housekeeping and grounds keeping for all Concession Facilities, and will require that the concessioner establish and maintain within its accounting system a Repair and Maintenance Reserve in the amount of two percent (2%) of gross receipts. This reserve will be used by the concessioner, subject to approval of the Director, to carry out certain repair and maintenance projects that are non-recurring within a 7-year timeframe, such as bulkhead repair, foundation repair or replacement or significant rehabilitation of electrical, plumbing and heating systems, or roof replacement.

### **Utilities**

The Concessioner is responsible for obtaining all utility services directly from utility companies unless supplied by the Fire Island National Seashore. If provided by the National Park Service, the concessioner shall be responsible for installation, maintenance

and repair of meters as necessary. The National Park Service will bill the concessioner at rates to be determined in accordance with Applicable Laws.<sup>9</sup>

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<sup>7</sup> See also Section 6 of the draft contract.

<sup>8</sup> Sec. 10 et al of the Contract

<sup>9</sup> Sec. 8(g) of the Contract

**Term and Effective Date of New Contract**

A term of ten years will be afforded to the proposal judged as best by the National Park Service.



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**Requests for a complete bound copy of this prospectus must be made by writing to:**

Jean Blakeslee  
Concession Management Specialist  
Fire Island National Seashore  
120 Laurel St.  
Patchogue, NY 11772

The cost for each prospectus is \$50.00 to cover printing, shipping and handling.

Checks should be made payable to the National Park Service.

A Tax Identification Number (TIN) or Social Security Number must be provided on all checks.